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## Question 1

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**Question Type:** MultipleChoice

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Why is accounting for defined benefits plans one of the most complex issues in International Financial Reporting Standards?

### Options:

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- A- Because it involves incorporating actuarial assumptions into measurement of the obligation and the expenses
- B- Because defined benefits plan obligations are not measured on a discounted basis
- C- Because defined benefits plans must be settled within ten years after the employee renders the related service
- D- Because the employer is not allowed to incorporate actuarial assumptions into measurement of the obligation and the expenses

### Answer:

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A

## Question 2

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**Question Type:** MultipleChoice

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In defined contribution plans when the contributions are not expected to be settled wholly before twelve months after the end of the reporting period, what must occur?

**Options:**

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- A- The employer must assume risk for the plan
- B- Contributions must be discounted
- C- Contributions must not be discounted
- D- The employer must pay a specified amount to the employee

**Answer:**

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B

## Question 3

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**Question Type:** MultipleChoice

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Which of the following plans obliges an employer to pay a specified amount of benefits to the employee?

**Options:**

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- A- Post-employment plan
- B- Defined contribution plan
- C- Defined benefit plan
- D- Bonus plan

**Answer:**

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C

## Question 4

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**Question Type: MultipleChoice**

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In a defined contribution benefit plan, who assumes risk?

**Options:**

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- A- Employees

**B-** Employers

**C-** Both employees and employers

**Answer:**

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A

## Question 5

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**Question Type:** MultipleChoice

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When does a present obligation exist?

**Options:**

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**A-** When the employee renders service

**B-** When the company has no realistic alternative but to make the payments

**C-** When a change in the company's informal practices would cause unacceptable damage to its relationship with employees

**D-** When the company recognizes the expected cost of profit-sharing and bonus payments

**Answer:**

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B

## Question 6

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**Question Type:** MultipleChoice

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Why is accounting for short-term employee benefits generally a straightforward process?

**Options:**

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- A-** Because no actuarial assumptions are required to measure the obligation or cost and there is no possibility of any actuarial gain or loss
- B-** Because short-term employee benefit obligations are measured on a discounted basis
- C-** Because short-term employee benefits are not provided in exchange for the service of the employee
- D-** Because the employer is required to incorporate actuarial assumptions into measurement of the obligation and the expenses

**Answer:**

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A

## Question 7

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**Question Type:** MultipleChoice

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Profit-sharing and bonuses are an example of which kind of employee benefits?

**Options:**

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- A- Short-term benefits
- B- Post-employment benefits
- C- Termination benefits
- D- Long-term benefits

**Answer:**

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D

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